

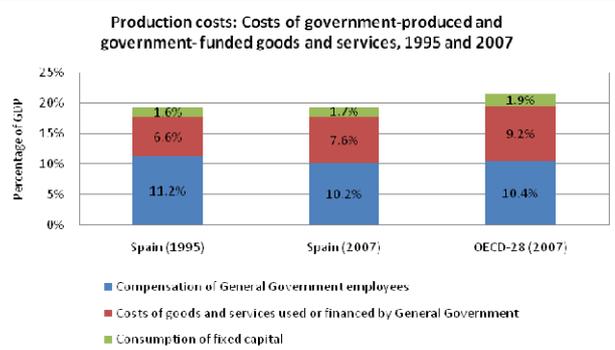
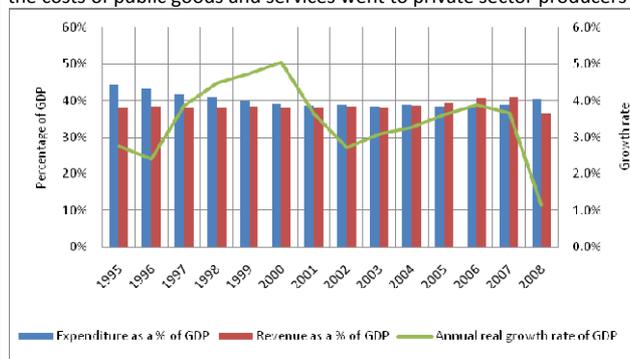
LEGISLATURE: Bicameral

- Upper house: elected according to a majority system / partially appointed by the Autonomous Communities
- Lower house: elected according to a proportional system

SYSTEM OF GOVERNMENT: Parliamentary

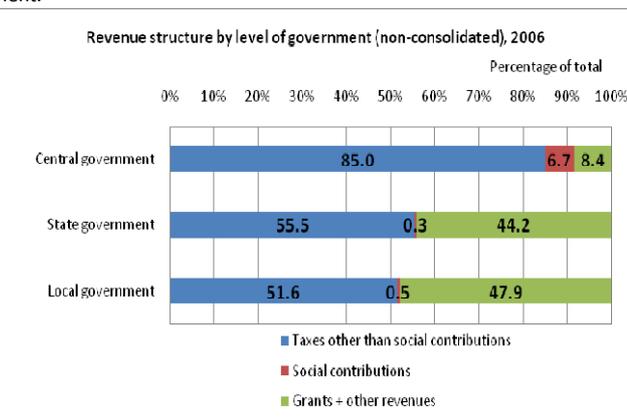
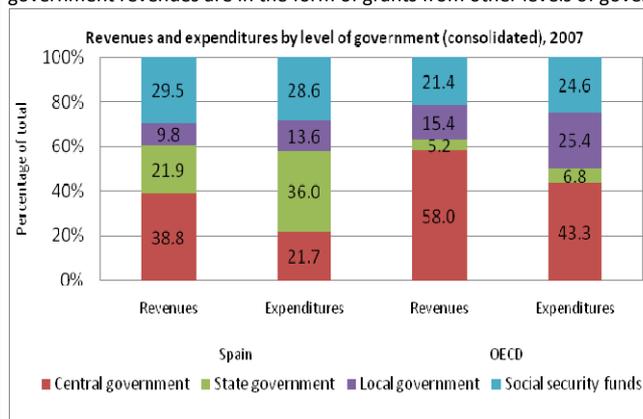
- No. of ministries: 17 (April 2008)
 - No. of ministers: 18 (2008)
- STATE STRUCTURE: Strongly decentralised state with 17 Autonomous Communities and 2 Autonomous Cities**

In Spain, revenues and expenditures have hovered around 40% of GDP over the past decade. The steady decrease of expenditures and rise in revenues over the decade halted in 2008 due to the global fiscal crisis. The 14 year-long period of GDP growth also came to an end. Total production costs of government funded goods and services as a share of GDP stayed at the same level between 1995 and 2007. However, a larger proportion of the costs of public goods and services went to private sector producers or providers in 2007 than in 1995.



Source: OECD National Accounts. [Revenues] [Expenditures] [Production costs]

The central government accounts for a relatively small share of total revenues and expenditures in Spain compared to other OECD countries, while the share of social security funds is notably large compared to the OECD average. While state (regional) and local governments account for over twice as large a share of expenditures than the central government, their shares of total revenue are much closer, suggesting that revenue transfers from the central government make up a proportion of state and local government resources. Transfers from the central government comprise about 30% of the regional financing system, but current reforms will lower this weight to 10% in coming years. On the other hand, almost 50% of local government revenues are in the form of grants from other levels of government.



Source: OECD National Accounts [Revenues] [Expenditures]

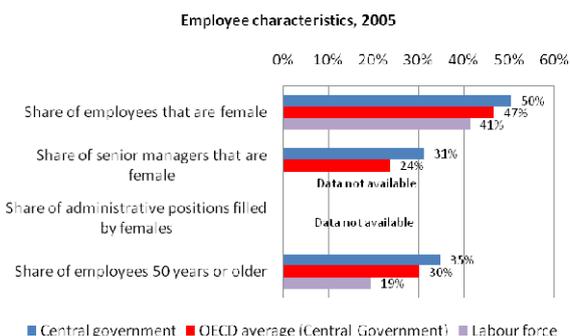
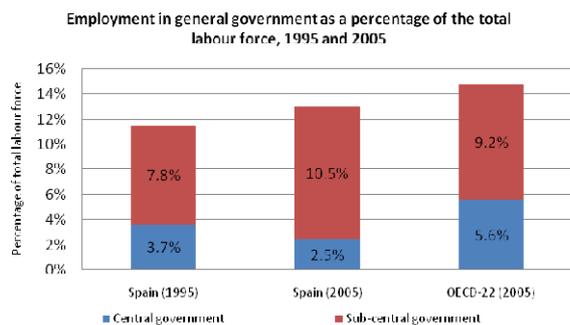
The overall structure of expenditures in Spain is similar to the OECD average. However, despite its strongly decentralised structure, the share of expenditures on general public services is less than the OECD average. The overwhelming majority of expenditures by central government seem to go towards general public services, with the remainder spent on security services (defence and public safety) and economic affairs. Most expenditures at the regional level go towards health and education whereas local government expenditures are more oriented towards environmental protection, recreation, and housing and community amenities. Social security funds account for most of the social protection spending.

Expenditure structure by function of government (non-consolidated), 2006	Spain			OECD-26 General government	EU-19 General government
	Central government	State government	Local government		
General public services	61.3%*	10.4%	33.7%	11.8%	13.9%
Defence	7.4%	0.0%	0.0%	2.9%	3%
Public order and safety	6.9%	2.6%	6.9%	4.8%	3.7%
Economic affairs	11.3%	13.7%	14.6%	13.0%	10.1%
Environment protection	0.5%	1.5%	9.7%	2.3%	1.5%
Housing and community amenities	0.2%	1.5%	9.9%	2.3%	1.9%
Health	1.5%	35.3%	1.3%	14.6%	14.1%
Recreation, culture and religion	2.2%	3.1%	10.9%	3.8%	2.5%
Education	1.1%	26.7%	4.3%	11.2%	11.6%
Social protection	7.5%	5.2%	8.6%	33.3%	37.7%

*This figure includes transfers to other levels of government. The consolidated expenditure share for general public services at the central government level is about 32%.

Source: OECD National Accounts [General government] [Central, state and local]

GOVERNMENT EMPLOYMENT: SIZE AND CHARACTERISTICS



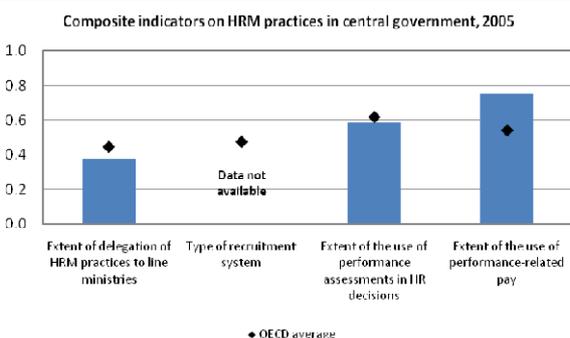
Government employment in Spain is decentralised, with the vast majority staff employed at the sub-central levels of government. The Spanish government employed about 13% of the labour force in 2005, slightly below the OECD average. The share of the labour force employed by government increased from 1995 to 2005 due to increases in staff employed by local governments and Autonomous Communities. While the overall government workforce increased by 43% over this period, employment by central government actually decreased by 6%.

Source: OECD Comparison of Employment in the Public Domain Survey and Labour Force Survey
[\[General government employment\]](#) [\[Distribution by level\]](#)

Females represent a larger proportion of the central government workforce than the general labour force. About half of central government workers are female, compared to 41% of the general labour force. Within the central government, females fill almost one-third of senior managerial posts, higher than the OECD average of 24%. The central government workforce is ageing more rapidly than the general labour force and more rapidly than central government workers in many other OECD countries.

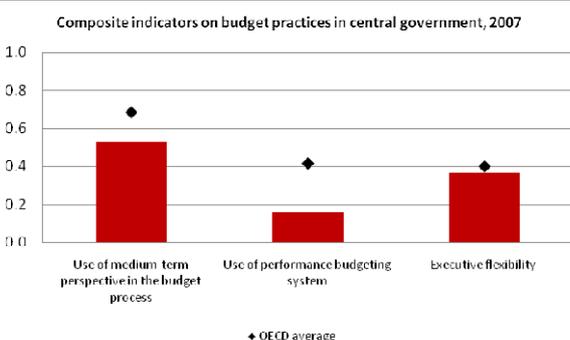
Source: OECD Strategic HRM Survey and Labour Force Survey
[\[Female participation\]](#) [\[Ageing\]](#)

COMPOSITE INDICATORS: PUBLIC MANAGEMENT PRACTICES



The HRM system used by the Spanish central government is centralised, with some decision making, such as variable pay, delegated to line ministries. The use of performance assessments in HRM decisions is in line with other OECD countries while performance-related pay is used more extensively. Spain is characterised by a cadre of senior civil servants that are managed separately.

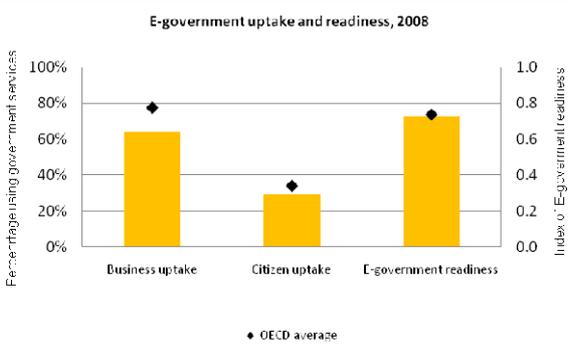
Source: OECD Strategic HRM Survey
[\[Delegation\]](#) [\[Recruitment\]](#) [\[Performance management\]](#)



In order to improve fiscal discipline, the central government annually generates medium-term expenditure estimates that span three years. The estimates take into account current legislation and anticipated changes, as well as macroeconomic and demographic projections. Like other countries, Spain uses expenditure ceilings. The central government approves an annual ceiling for non-financial expenditures. Performance information is used in Spain to a lesser extent than in other countries. However, it is sometimes used by the executive to allocate resources between programmes and ministries.

Source: OECD International Budget Practices and Procedures Database.
[\[Medium-term\]](#) [\[Performance budgeting\]](#) [\[Executive flexibility\]](#)
 OECD Journal on Budgeting: www.oecd.org/gov/budget/journal

E-GOVERNMENT



Overall, Spain exhibits a high-degree of e-government readiness characterised by a large amount of services and information available online, an educated populace and relatively high broadband penetration. As in most OECD countries, businesses use of e-government services more frequently than citizens.

Source: United Nations E-Government Readiness Knowledge Base, Eurostat.
[\[Readiness\]](#) [\[Uptake\]](#)
[\[OECD E-Government Publications\]](#)

INTEGRITY	Types of information central government decision makers are required to disclose and level of transparency, 2009				
	Requirements for disclosure	Prime Minister	Minister	Lower House Legislators	Upper House Legislators
	Assets and liabilities	DP*	DP*	D	D
	Loans	DP*	DP*	D	D
	Sources and level of income	DP	DP	DP	DP
	Outside positions	DP	DP	DP	DP
	Gifts	DP	DP	DP	DP
	Previous employment	DP	DP	DP	DP
	D= Disclosed; DP= Disclosed and publicly available; ND= Not disclosed; NA= Not applicable; * information is publicly available as of October 2009.				
	REGULATORY MANAGEMENT	Requirements for Regulatory Impact Analysis (RIA) processes used by central governments			
		2005	2008		
Quality reviewed by body external to Ministry preparing rules		No	No		
Required for draft primary laws		Only for major regulation	Only for major regulation		
Required for draft subordinate regulations		Only for major regulation	Only for major regulation		
Required to quantify costs		No	Only for major regulation		
Required to quantify benefits		No	No		
Required to publicly release results		No	No		
Extent of programs for reducing administrative burdens at the central level of government					
		1998	2005	2008	
Explicit programme exists	Yes	Yes	Yes		
Includes quantitative targets	Yes	Yes	Yes		

Spain requires key elected officials from the executive and legislative branches to disclose a significant amount of private interests. However, unlike in many other OECD countries, information on financial interests (assets and liabilities and loans) for legislators are not made available to the public. A legislation bill regulating conflict of interest for members of the executive and high ranking officials in Spain's public services was approved in April 2006. The law became active by Royal Decree 432 in March 2009. In October 2009, the official Spanish government publication disclosed financial information of members of the executive. This law, as well as the Code of Good Governance, include many of the OECD recommendations regarding public ethics.

Source: OECD Survey on Integrity
[\[Disclosures\]](#)

The 2005 and 2008 surveys of Indicators of Systems of Regulatory Management examined the extent of governance practices designed to improve the quality of regulation in OECD countries. Among the most important practices are: the use of regulatory impact analysis (RIA) to assess the cost and benefits of new regulation and the institutional oversight of the quality of regulations; and the design of programs to reduce the costs of administrative activities on business and citizens.

While Spain is in the early stage of RIA implementation, it is taking steps to bolster its programme. For new regulation and legislation, there is an analysis of the financial and gender impact with an "explanatory" report justifying its need. A proposed new bill will require the production of a regulatory impact analysis report, which will combine and strengthen the information included in the current gender and explanatory reports. Spain reports having an administrative simplification programme that includes quantitative targets. The June 2008 Action Plan sets a target to reduce administrative burdens by 30% by 2012. The Bank of Spain estimates that these reductions will increase GDP by 1.4 points.

Source: OECD Survey on Regulatory Management.

[\[RIA\]](#) [\[Administrative simplification\]](#)

Regulatory Management Indicators: www.oecd.org/regreform/indicators

EU 15 reviews on Regulatory Reform: www.oecd.org/gov/regref/eu15

Background reports on Regulatory Reform: www.oecd.org/regreform/backgroundreports

Production costs are a subset of total government expenditures, excluding government investment (other than depreciation costs), interest paid on government debt and payments made to citizens and others not in exchange for the production of goods and services (such as subsidies or social benefits). Production costs include compensation costs of general government employees, the costs of goods and services produced by private entities funded by government (intermediate consumption and social transfers in kind via market producers), and the consumption of fixed capital (indicating the level of depreciation of capital).

Structure of government expenditures: Data on expenditures are disaggregated according to the Classification of the Functions of Government (COFOG), which divides government spending into 10 functions. More information about the types of expenditures included in each function can be found in Annex B of *Government at a Glance 2009*.

Employment characteristics: The OECD averages refer to the following number of countries:

- Share of employees that are female: OECD-23
- Share of senior managers that are female: OECD-22
- Share of administrative positions filled by females: OECD-17
- Share of employees 50 years or older: OECD-25

HRM Composites: The indexes range between 0 (low level) and 1 (high level). Details about the theoretical framework, construction, variables and weighting for each composite are available at: www.oecd.org/gov/indicators/govataglance.

- **Delegation index** gathers data on the delegation of determining the number and types of posts needed in an organization, compensation levels, position classification, recruitment and dismissals, and conditions of employment. This index summarises the relative level of authority provided to line ministries to make HRM decisions. It does not evaluate how well line ministries are using this authority.
- **Type of recruitment system index** includes policies for becoming a civil servant in general (*e.g.* competitive examination or direct application) and for recruiting senior civil servants, and systems for appointing entry-level positions and for allocating posts across departments. This index describes a spectrum of recruitment systems in place in OECD member countries. Countries scoring closer to 0 have career-based systems whereas countries scoring closer to 1 have more position-based systems. The index does not evaluate the performance of difference systems.
- The **performance assessment index** indicates the extent to which it is used in career advancement, remuneration and contract renewal decisions, based on the views of survey respondents. This index provides information on the formal use of performance assessments in central government, but does not provide any information on its implementation or the quality of work performed by public servants.
- The **performance-related pay index** looks at the range of employees to whom PRP applies and the maximum proportion of base pay that PRP may represent. This index provides information on the formal use of performance related pay in central government, but does not provide any information on its implementation or the quality of work performed by public servants.

Budget Composites: The indexes range between 0 (low level) and 1 (high level). Details about the theoretical framework, construction, variables and weighting for each composite are available at: www.oecd.org/gov/indicators/govataglance.

- The **medium term budget perspective index** contains information on whether countries develop and present multi-year expenditure estimates in the annual budget, the number of years the estimate covers, how often estimates are updated; and whether there are multi-year targets or ceilings and how often these are revised. This index measures the extent to which countries have developed a medium-term perspective in their budget process. However, it does not evaluate whether this perspective has been effective at achieving budget outcomes such as fiscal discipline and allocative efficiency.
- The **performance budgeting index** contains information on what type of performance information is developed; the processes for setting goals and targets; the process for monitoring and reporting on results; and if and how performance information is used in budget negotiations and decision making processes by key actors including the central budget authority, the line ministries and politicians. This index examines the degree to which OECD member countries have put a performance budgeting system in place. However, it does not measure how successfully these systems operate in practice.
- The **executive flexibility index** contains the following variables: the extent to which lump sum appropriations are used; the number of line items in the budget; agencies' ability to carry-over unused budget allocations between years, borrow against future appropriations, reallocate between line items and keep efficiency gains; and constraints on the executive's ability to increase spending during budget execution. This index looks at the different levels of flexibility provided to the executive during budget execution. However, it does not measure whether this flexibility is used effectively or appropriately.

E-Government:

- The **UN e-government readiness index** ranges between 0 (low level) and 1 (high level). It measures the capacity of governments to implement and develop e-government services. Developed within the framework of the UN global e-government survey, the indicator consists of three sub-indices: (1) the web measure index, (2) the telecommunication infrastructure index and (3) the human capital index. The web measure index ranks countries based on the coverage, sophistication and availability of e-services and e-products. The index categorizes countries as having either an emerging, enhanced, interactive, transactional, or networked e-government presence. The telecommunication infrastructure index is a weighted average of 5 measures of ICT infrastructure capacity: PCs/100 persons, Internet users/100 persons, Telephone lines/100 persons, Broad-banding/100 persons and Mobile phones/100 persons. The human capital index is a weighted average of the adult literacy rate (two-thirds weight) and the combined primary, secondary and tertiary gross enrolment ratio (one-thirds weight).
- The e-government take-up by citizens indicator measures the percentage of individuals (aged 16-74) who used the Internet to interact with public authorities in the 3 months preceding the survey. Data are collected through Eurostat's annual Community Survey on ICT Usage in Households and by Individuals, and are only available for European countries.
- The e-government take-up by businesses indicator measures the percentage of enterprises using the Internet to interact with public authorities. Only businesses with 10 or more employees are included. Data are collected by national statistical offices based on Eurostat's annual Model Survey on ICT Usage and E-commerce in Businesses.